



Lusitania Savings Bank

Winter Newsletter

2014

Main Office:

107 Pulaski Street
Newark, NJ 07105
(973)344-5125

Branches:

210 Ferry Street
Newark, NJ 07105
(973)589-1555

302 Frank E. Rodgers Blvd.
Harrison, NJ 07029
(973)268-7801

1135 Liberty Avenue
Hillside, NJ 07205
(908)527-7994

Express Banking
(973)344-5683

Internet Banking

www.Lusitaniabank.com

Business Hours:

Mon-Wed 9:00 am-5:00 pm
Thursday 9:00 am-6:00 pm
Friday 9:00 am-7:00 pm
Saturday 9:00 am-2:00 pm

Saturday Summer

Hours:

Lobby: 8:30 am-12:00 pm
Drive Thru: 8:00 am-12:00 pm

Drive Thru Schedule:

Pulaski Office

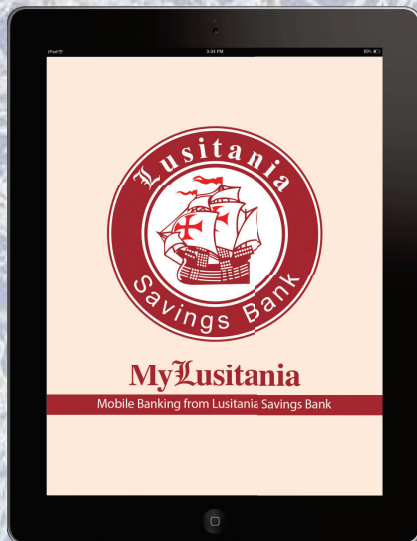
Mon-Wed 8:30 am - 5:30 pm
Thursday 8:30 am - 6:00 pm
Friday 8:30 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

Hillside Office

Mon-Wed 9:00 am - 5:00 pm
Thursday 9:00 am - 6:00 pm
Friday 9:00 am - 7:00 pm
Saturday 8:30 am - 2:00 pm

MyLusitania Mobile Banking

Coming Soon...



'Tis the Season to Refinance

10-YEAR FIXED RATE MORTGAGE
2.875% Rate + 0 Points
2.997% APR

15-YEAR FIXED RATE MORTGAGE
3.250% Rate + 0 Points
3.337% APR

RESIDENTIAL PURCHASES & REFINANCES

Foreclosed and Short-Sale Properties Financing Options Available

(973) 344-5125 ext. 129

www.lusitaniabank.com

Payment Example: \$9.60 per \$1,000 borrowed on a \$100,000 10-year fixed rate mortgage at an interest rate of 2.875% will result in 120 payments of \$959.85.
Payment Example: \$7.03 per \$1,000 borrowed on a \$100,000 15-year fixed rate mortgage at an interest rate of 3.250% will result in 180 payments of \$702.67.
Actual monthly payment may be higher because example does not include applicable property taxes, fees, insurance premiums or other related costs. Annual percentage rate (APR) based on \$100,000 loan with a 10-year and a 15-year amortization term. Financing on residential 1-4 family properties. Minimum finance charge of \$585.00. Owner occupied rate. New loans only. Rates and annual percentage rates are based on 80% loan to value with 20% equity or 20% down payment. Rates and annual percentages are effective as of publication date of this ad and are subject to change. Please speak with our Mortgage Department for additional terms and conditions that may apply. Subject to credit approval. Other rates and programs are available. NMLS # 640892

A Message from the President

The financial crisis that began in 2008 has radically changed the landscape for many industries in this country. It could be argued that in no industry has that change been more pronounced than in banking. Over the course of the on-going financial crisis, the number of commercial banking institutions insured by the FDIC has gone from 7,294 at the end of 2007 to only 5,880 at the end of 2013, a reduction of more than 19%. Put in other terms, since the start of the financial crisis, about one out of every five FDIC-insured banks in this country is no longer operating in the same form as it had prior to the crisis. In some of those cases, banking institutions came together in mergers, leaving one larger bank in place of two smaller ones. In other cases, banking institutions collapsed under the financial pressures of interest rate risks that proved too costly in our recession economy and had to be shuttered by the FDIC, their assets and liabilities sold off to other institutions. The end result is that there are currently fewer federally-insured banks in this country than at any point since the FDIC started keeping track of the statistic in 1934. With such high levels of consolidation and closures taking place over the last few years, it becomes fair to ask about the role of community banks like Lusitania in this country going forward.

Even with fewer banking institutions competing for customer deposits and loans, community banks are poised to thrive in their traditional role as the lifeblood of American business going forward. Large commercial banks are distinguished by their size, a feature that proves to be an advantage to the banks, but too often proves to be a disadvantage to the typical bank customer. The large commercial banks operate in a much more centralized and automated manner than a typical community bank - a great thing for the large commercial banks, since it saves them money on operating expenses, but a terrible thing for you as a banking customer. The centralized, automated model followed by the large commercial banks means that they are simply not in a position to understand the needs of local depositors and local borrowers in the way that community banks have done for decades. From a consumer perspective, it's the worst kind of trade-off, since the benefits of the large bank model go to the large banks themselves, while the costs fall entirely to their customers.

Community banks continue to be the only banks which, by virtue of the fact that they are integral parts of the same communities as their customers, are familiar with and responsive to the needs of those customers. On the retail side, the large commercial banks are, unsurprisingly, not able to offer the same level of focus on customer service as community banks. A simple request from a customer of a large commercial bank often gets sent up through level after level of a decision-making hierarchy until it finally reaches someone in a back office



EQUAL OPPORTUNITY LENDER



Message from the President continued....

somewhere who, while having the authority to respond to the request, is so far removed from the customer that he or she can only make an uninformed decision in response. In contrast, at Lusitania we pride ourselves on understanding the unique needs of each deposit customer. When a customer opens any account at Lusitania Savings Bank, he or she receives a letter providing contact information for the branch manager or other supervisor who opened the account, ensuring that the customer always has a direct line of communication to someone who is both familiar with the account and can promptly handle any banking needs that come up in the future, unimpeded by the delays of back-office bureaucracy. On the lending side, the centralized, automated models used by large banks means that customers who don't precisely fit pre-defined criteria may find it impossible to get loans. "All too often, the large banks use their models and their algorithms, and if you don't fit in their boxes, you don't get the loan," as former FDIC chairman Sheila Bair described it. Large commercial banks seem to believe that a bank should be, as Bob Hope once put it, "a place that will lend you money if you can prove that you don't need it." In contrast, community banks such as Lusitania are more willing to consider the individual financial circumstances of each customer and, as a result, are more willing to invest in the future financial success of those customers by extending them credit.

So long as there are consumers who value prompt, personalized service and a willingness to consider the individual needs and circumstances of each customer, community banks such as Lusitania will always have a vital role in American banking. These values are just empty promises, however, unless community banks are willing to evolve to meet the changing demands of their customers. After asking our customers how they would like to see our services improve going forward, we found that there was increasing demand for services offered through a mobile banking platform. Accordingly, we are excited to announce that we will be rolling out the MyLusitania Mobile Banking application for Lusitania customers in early 2015. All of the functionality of our online banking website will now be available at the touch of your finger on both iOS and Android phones and tablets, providing Lusitania customers with instant, real-time access to account information as well as a full array of bank services such as funds transfers and bill pay. It is just the latest example of how Lusitania continues to offer the best of both worlds: a bank small enough to know its customers, but large enough to handle all of their banking needs.

Jorge S. Gomes, Esq.
President/CEO

SAFE DEPOSIT BOXES



Available at our

Pulaski Street - Main Office

Ferry Street Branch

SAFE DEPOSIT BOX SIZES:

Pulaski Street Main Office: Small 2.5" x 4.5" Large 4.5" x 4.5"

Ferry Street Branch: Small 5" x 1.5" Large 5" x 4.5"

The rental of safe deposit boxes is a bank service extended to customers for their convenience in securing personal possessions. It should be understood that there is no bank provided insurance for safe deposit boxes.

HALLOWEEN FUN



Halloween at the Hillside Community Center



Lusitania VISA® Bonus Rewards Card

Buying **POWER** you need,
from the bank you **TRUST**.



CONSUMER Credit Cards
• Visa® Bonus Rewards Card
• Visa® Rewards PLUS Card
• Visa® Platinum Card

COLLEGE Credit Card
• Visa® College Rewards



APPLY TODAY!
See a Representative.

BUSINESS Credit Cards
• Visa® Business Bonus Rewards Card
• Visa® Business Bonus Rewards PLUS Card
• Visa® Business Platinum Card

Subject To Credit Approval

Cybersecurity

Phishing

On the Internet, "phishing" refers to criminal activity that attempts to fraudulently obtain sensitive information. There are several ways a scam artist will try to obtain sensitive information such as your social security number, driver's license, credit card information, or bank account information. Sometimes a scam artist will first send you a benign email (think of this as the bait) to lure you into a conversation and then follow that up with a phishing email. At other times, the scam artist will just send one phishing email.

Pharming

Pharming is a scam where a hacker installs malicious code on a personal computer or server. This code then redirects your clicks on a website to another fraudulent website without your consent or knowledge. To avoid pharming, follow the basic computer safety guidelines. Also, be careful when entering financial information on a website. Look for the key or lock symbol at the bottom of the browser. If the website looks different than when you last visited, be suspicious and don't click unless you are absolutely certain the site is safe.

Vishing

Unfortunately, phishing emails are not the only way people can try to fool you into providing personal information in an effort to steal your identity or commit fraud. Criminals also use the phone to solicit your personal information. This telephone version of phishing is sometimes called vishing. Vishing relies on "social engineering" techniques to trick you into providing information that others can use to access and use your important accounts. People can also use this information to pretend to be you and open new lines of credit.

Smishing

Just like phishing, smishing uses cell phone text messages to lure consumers in. Often the text will contain a URL or phone number. The phone number often has an automated voice response system. And again just like phishing, the smishing message usually asks for your immediate attention. In many cases, the smishing message will come from a "5000" number instead of displaying an actual phone number. This usually indicates the SMS message was sent via email to the cell phone, and not sent from another cell phone. Do not respond to smishing messages.

Bluesnarfing

Bluesnarfing is the unauthorized access of information from a wireless device through a Bluetooth connection, often between phones, desktops, laptops, and PDAs (personal digital assistant). To avoid bluesnarfing, disable your Bluetooth when not in use.

Malware

Malware is a category of malicious code that includes viruses, worms, and Trojan horses. Destructive malware will utilize popular communication tools to spread, including worms sent through email and instant messages, Trojan horses dropped from web sites, and virus-infected files downloaded from peer-to-peer connections. Malware will also seek to exploit existing vulnerabilities on systems making their entry quiet and easy.

Jailbreaking

Jailbreaking is a method of "self-hacking" your smartphone in order to gain full access to all features of the technologies of smartphones. However, this makes the smartphone extremely susceptible to malware, viruses, and other malicious programs.

Microsoft Support ended for Windows XP and Office 2003

What happens if I keep using my XP system?

Your computer will continue to operate as it does today, only the support for security patches and software support will end. Microsoft is no longer releasing security patches for vulnerabilities in Windows XP. These vulnerabilities are used by cybercriminals to compromise computers. You will not be able to patch for known vulnerabilities, making your risk of a compromised computer much higher. In addition, if you have issues with hardware and software running on the computer, Microsoft will not provide support to troubleshoot those issues. Your largest concern should be increased probability of a system compromise.



How will this affect my XP system?

- Microsoft ended support for the Windows XP operating system and Office 2003 product line on April 08, 2014. After this date, these products will no longer receive:
 - Security patches which help protect PCs from harmful viruses, spyware, and other malicious software
 - Assisted technical support from Microsoft
 - Software and content updates

Why should I be concerned?

This issue affects anyone who uses a Windows XP computer or Office 2003. However, those who use their computer for the following are at a higher level of risk:

- Business or consumers using online banking
- Storing or transmitting sensitive data
- Making online purchases

As a small business, what should concern me?

Computer systems running unsupported software are exposed to an elevated risk of cyber-security dangers, such as malicious attacks or electronics data loss. Government agencies and regulatory boards have issued statements warning businesses regarding security risks, legal compliance issues, and additional liability for data breaches.

What can I do to reduce these risks?

Microsoft suggests that you upgrade your software to a supported version, if your hardware meets the minimum requirements. Please review the Microsoft resources for more information and other frequent asked questions.

Mobile Device Security Tips

- Password-protect your mobile device. Protect it with a strong password, do not store passwords on the device, do not enable apps to remember your password, and set your device to auto-lock after a few minutes.
- Learn how to remotely wipe your mobile device. If your device has a remote wipe feature you should enable it.
- Do not use public Wi-Fi when performing financial transactions. Use only 3G or 4G networks for any secure transactions such as banking.
- Update apps. Update all apps when notified. Keep software up-to-date on your mobile device.
- Disable Bluetooth settings when not in use. If left on someone could potentially pair to your device and obtain information.

The Newest Members of the Lusitania Customer Service Team



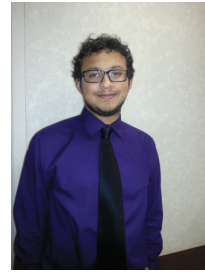
Cristina Faviao - Vila Pouca de Aguiar, Portugal



Jaira Ponce - Guayaquil, Ecuador



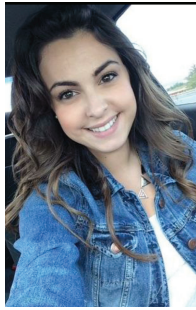
Luis Costa - Leiria, Portugal



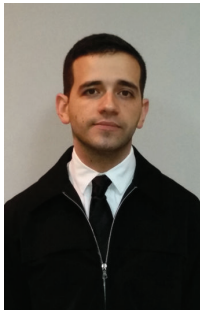
Sergio Da Silva - Rio de Janeiro, Brazil



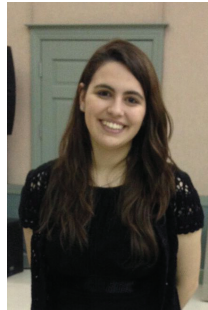
Susana Dias - Espinheiro, Severo do Vouga, Portugal



Nicole Carneiro - Ponte Da Barca, Portugal



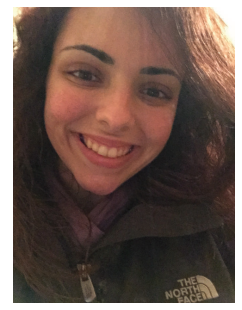
Diogenes Lourenco - Parana, Londrina, Brazil



Kelly Baptista - Escapaaes, Coimbra, Portugal



Renata Ribeiro - Santa Comba Dao, Viseu, Portugal



Vanessa Oliveira - Pedralva, Anadia, Portugal

Surcharge-Free ATM Network

Lusitania Savings Bank has teamed up with Allpoint, an ATM network that gives you access to over 55,000 ATM's around the world at **NO CHARGE** to you.



You can find the nearest Allpoint ATM by simply visiting their website at www.AllpointNetwork.com or calling 1-800-809-0308.

PLEASE NOTE: Some Allpoint ATMs may still display a surcharge screen during your Allpoint transaction. If that happens, simply enter "Yes" to accept the surcharge and proceed with your withdrawal. **YOU WILL NOT BE CHARGED THE SURCHARGE.**

EXPRESS BANKING



LUSITANIA'S PHONE BANKING SYSTEM
(973) 344-5683
24 HOURS/ 7 DAYS A WEEK

MANAGEMENT TEAM

Officers:

Jorge S. Gomes, Esq.: President / CEO
Sandra M. Teixeira: VP of Finance
Maria C. Pequeto-Duarte: VP of Lending
Florbela De Almeida: VP of Operations

Branch Managers:

Sandra Martins: Ferry
Ricardo Leal: Harrison
Andreia Cunha: Hillside

LET US HEAR FROM YOU

How can we serve you even better?

We strive to provide excellent service every day, in everything we do - but we are always looking for ways to improve! Please share your suggestions on ways we can serve you even better.

Please mail this form to:

Lusitania Savings Bank
Attn: Jorge S. Gomes, Esq., President/CEO
107 Pulaski Street, Newark, NJ 07105
jgomes@lusitaniabank.com

Name: _____
Address: _____
Email: _____
Your Suggestion: _____

